

Coal power- a factious entity in Sri Lanka

The Daily Mirror of September 30 reported that D.C. Wijeratne of the Ceylon Electricity Board had said that bio energy based electricity generation (Dendro Power) is a joke. The truth of the matter is that while Dendro Power development is gathering momentum in Sri Lanka, coal power remains a factious entity in Sri Lanka.

Proposals to establish Dendro and coal power projects in Sri Lanka commenced in the early 1980s and while engineers at the CEB considered Dendro Power as a joke and rejected it, they spent vast amounts of money and other resources to promote and carry out pre-feasibility studies right round Sri Lanka. They first started their studies in Trincomalee in the East, then at Mawella in the South and finally at Norachcholai in the West Coast. The total cost of these studies was over Rs.

1500 million!

The net outcome of these studies is a pile of paper in cabinets occupying valuable office space. These documents are of no use to anyone. (Except for the manufacture of recycled paper). All data in these documents are irrelevant for the future. At Trincomalee, Prima Ltd has utilized the site chosen for the study. If the CEB decides to set up a coal power project in Trincomalee, a new site needs to be identified and a fresh study should be carried out. The same thing is true of Mawella as the location chosen has been encroached by the villagers. It would be impossible to uproot them. The site chosen at Norochcholai is technically the most expensive site. Moreover, some engineers in the IESL have pointed out that a coal unloading operation at this site could be carried out only a few months of the year. Now the CEB



Letters

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DailyMirror
P.O. Box 1136, Colombo

has decided to carry out a new study at Hambantota. The cost of this study would be around Rs. 500 million.

Without any assistance, whatsoever, from the engineers of the CEB, a 35 kw Dendro Power plant has been established at Sapugas-kanda. Dr. Ray Wijewardene, the President of the Bio Energy Association of Sri Lanka (BEASL) has established a 4 kw Dendro

Power facility at his coconut estate to generate electricity for drip irrigation and electricity for workers residence.

In mid August, Karu Jayasuriya laid the foundation stone for a 1 MW Dendro Power plant at Walapane. Many such power plants are being planned for the immediate future. According to the BEASL, about 50% of the total fuel

based electricity could be generated through bio fuels by the year 2010. Apart from electricity, Haycarb Ltd. has converted a number of oil-fired furnaces and boilers at Madampe and Badalgama to operate on sustainably grown Gliricidia. They are purchasing Gliricidia stems, cut to 50 mm long pieces at Rs. 2000 per tonne. This has provided vast employment opportunities to the unemployed in the rural areas.

While the CEB engineers are considering Dendro Power as a joke, the private sector in Sri Lanka is making vast progress in this field. CEB engineers are spending millions on coal power studies. They have already spent Rs.1500 million. Not a single unit of electricity has been generated from coal.

If the Rs.1500 million already spent over the last 25 years on coal power

studies had been utilized to establish sustainable fuel wood plantations, we could have established 100,000 hectares of such plantations. This could sustainably support a total of 250 MW of base load Dendro Power plants. Had this been done, we would not have faced the power cuts encountered in the country from 1996 onwards.

In addition we could have provided employment to 40,000 poor rural families. We could have also saved US\$ 100 million annually spent on petroleum fuel.

The people of this country have been made to believe that coal power is the cheapest source of electricity. But the people have not been told about the cost to the electricity consumers.

Consumers of electricity would be charged the following costs for energy

generated from a coal power plant:

(a) Repayment of initial cost and interest of the power plant - at least US\$ 1000 per kw.

(b) Repayment of initial cost and interest of unloading/ coal handling facility including the share of the cost of harbour - another US\$ 1000 per Kw.

(c) Repayment of initial cost and interest of the transmission and distribution lines - another US\$ 1000 per kw.

(d) Recurring fuel cost of the power plant.

(e) Recurring operation and maintenance costs of the power plant.

(f) Recurring cost of energy lost in the transmission and distribution lines - 22% of the energy generated at the power station.

(g) Recurring operation and maintenance cost of the transmission and distribution lines. The public

has also not been informed of the non-uniform rate of capital recovery by private investors in coal power projects. Coal power projects have a life span of 25 to 30 years in addition to a construction phase of over five years. The initial capital costs of the power plant, the coal unloading facility, the transmission and distribution network need to be spent up front during the construction phase. Having spent the money up front, a private investor would not wait for 25 years to recover the cost in a uniform rate.

A private investor wants his money perhaps in five to 10 years.

On this basis, if a coal power plant is erected in Sri Lanka by a private investor, the consumers should be prepared to pay the equivalent of US\$ 0.15 for a unit of energy!

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